

# SARTORIUS

## Sustainability in the Supply Chain

Simplifying Progress

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Corporate responsibility means taking responsibility for the consequences of our actions – wherever they occur. As company managers responsible for purchasing transactions, we shift a part of our environmental and social impacts to others, our suppliers. It is the manufacturing conditions of the materials, products and services that we purchase and their ecological and social impacts that we

must consider and take responsibility for. The sustainable management of the supply chain is thus becoming a central component of responsible corporate governance.

*Signed on behalf of the Sartorius sourcing departments*

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# Sustainability in the Supply Chain

For Sartorius, sustainability means operating responsibly for the long term across our entire value chain. This topic is so important that sustainability is one of our top three corporate values along with openness and enjoyment.

Sartorius participates in the United Nations Global Compact initiative and supports the 2030 Agenda for Sustainable Development. The 17 Sustainable Development Goals (SDGs) defined in Agenda 2030 address the economic, social and environmental dimensions of sustainable development. We identified nine SDGs as particularly relevant to Sartorius, among them SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Respecting human rights, setting high standards for protecting the environment, and ensuring good, safe and fair working conditions in manufacturing our products is important to us beyond our own production facilities. With more than 9,000

suppliers in 100 countries, our procurement volume comprises approximately 40 percent of our revenue, emphasizing the importance of these supply chain goals.

Global supply chain management requires adhering to a growing number of laws and standards. Examples include the National Action Plans for respecting human rights, the U.S. Dodd-Frank Act Section 1502 provision for conflict minerals, the UK Modern Slavery Act on forced labor, and the European RoHS Directive and REACH Regulation on chemicals and hazardous substances. Our Purchasing Department is responsible for ensuring that Sartorius remains compliant.

One important step is engaging with our suppliers transparently and following the multistage process described in this brochure to maintain sustainability in our production and purchasing processes.

# Code of Conduct for Business Partners

Our Code of Conduct for Business Partners is the foundation for collaborating with our business partners throughout the Group.

This includes requirements for

- work practices
- workplace health and safety
- environmental standards
- ethics
- general rules of conduct and supplier relationship

We require that our suppliers, subcontractors and service providers adhere to the same high standards for supply chain management that we define in our Code of Conduct. This includes the adoption of these principles by their own business partners.

Additionally, Sartorius reserves the right to conduct Environment, Social, Governance (ESG) assessments and audits at suppliers' premises if there are any concerns.



# ESG Risk Management

Sartorius verifies to what extent a supplier might be violating the required ESG standards. The purpose is to incite change in our suppliers' labor, social and environmental practices.

We take a risk-based approach to setting priorities for this review. Considerations include the supplier's location or production processes associated with an increased risk to the environment or employee safety. Suppliers from whom we purchase products on a large scale are particularly important for meeting our deliverables. The same is true for production-critical suppliers. To get ahead of any issues, we monitor the quality, delivery reliability and sustainability more closely for these partners.

Our multistage approach consists of a self-assessment, external assessments, quality audits conducted by Sartorius, and ESG audits performed by external partners.



# ESG Assessments and Audits on Site at the Supplier

## ESG Supplier Self-Assessments

New suppliers receive a questionnaire as part of finalizing their contract with Sartorius. It contains questions about product quality and delivery reliability as well as an ESG section regarding their environmental, social and corporate governance practices. Suppliers designated as “high risk” also perform the ESG self-assessment. Assessing their own social, governance and environmental performance helps the supplier become more aware of their areas for improvement compared with industry standards.

## External ESG Assessments using EcoVadis

For suppliers playing a significant role in our business processes and | or when we purchase from them in large quantities, we use the external sustainability assessment platform EcoVadis. Risk is analyzed based on self-assessment, and the review of related documents and information from external sources. The EcoVadis rating covers a broad range of non-financial management systems, including labor and human rights, ethics, sustainable procurement and environmental impacts. Then, the supplier is rated based on their size, location and industry.

## Quick Checks by Sartorius in Quality Audits

Existing Sartorius supplier audits, conducted by Sartorius Quality Management, focus on quality and delivery reliability. Our audit of the supplier’s production facilities also includes a quick compliance check based on the requirements established in our Code of Conduct for Business Partners.

## External ESG Audits in the Case of Irregularities

If an ESG assessment or quality audit indicates a lack of compliance with our Code of Conduct for Business Partners, Sartorius may add an external ESG audit. These are performed onsite by internationally recognized providers, which guarantees an unbiased and professional audit process.

# Consequences

If the analyses indicate discrepancies with the ESG standards required by Sartorius, action plans for improvement will be discussed with the supplier Sartorius reserves the right to terminate the business relationship if improvements are not made within a set timeframe.





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